

**CALIFORNIA ENERGY COMMISSION**

1516 Ninth Street  
Sacramento, California 95814

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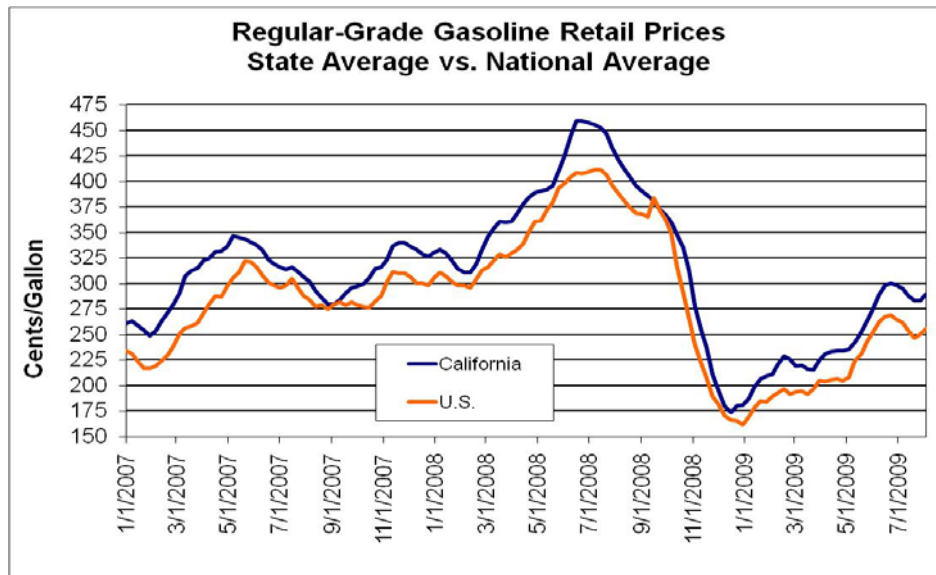
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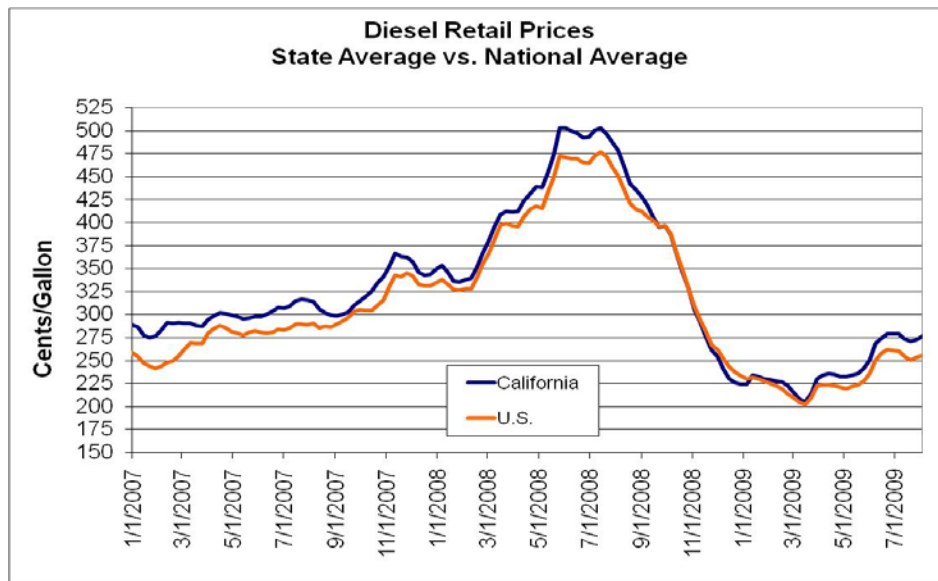
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**Petroleum Watch****August 7, 2009*****Retail Gasoline and Diesel Prices on August 4***

- The average California **retail price for regular-grade gasoline** increased 7 cents from last week to \$2.90 per gallon. California prices are \$1.69 below their peak of \$4.59 on June 16, 2008 and 5 cents lower than a month ago.<sup>i</sup>
- The difference between California and U.S. retail gasoline prices remain unchanged from a month ago at 34 cents per gallon. U.S. gasoline prices decreased 5 cents since last month to \$2.56 and are \$1.32 less than this time last year.

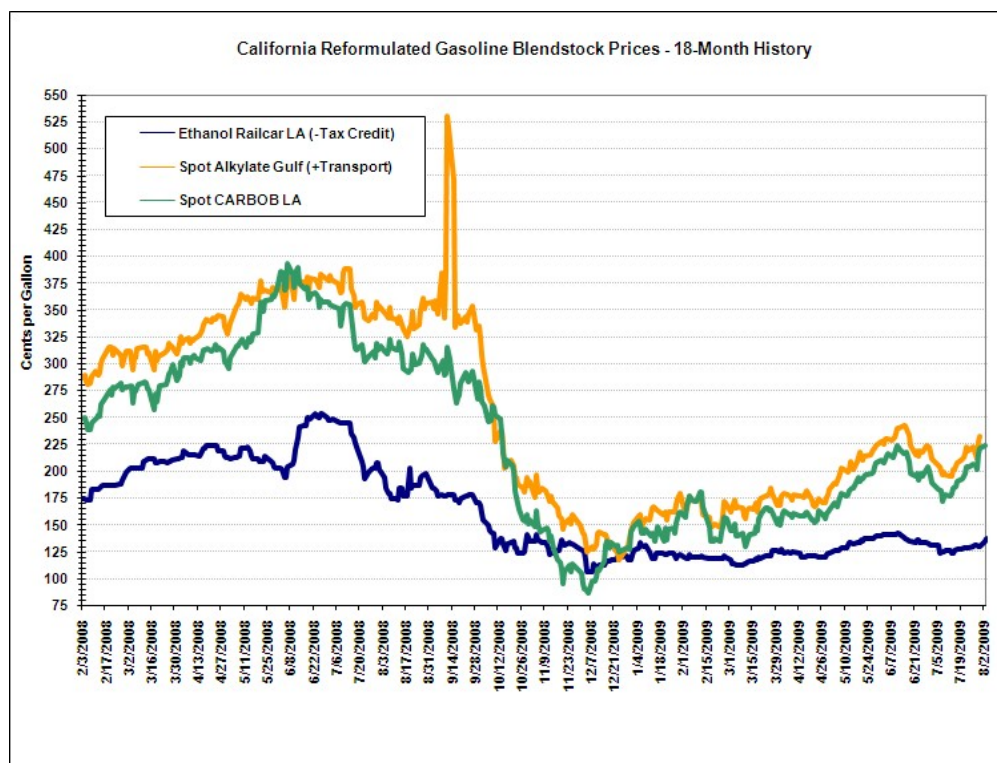


- The average California **retail diesel price** decreased 3 cents since last month to \$2.76 per gallon. The U.S. retail diesel price fell 4 cents from a month ago to \$2.55 per gallon.



## Wholesale Gasoline, Diesel, and Blendstock Prices on August 4

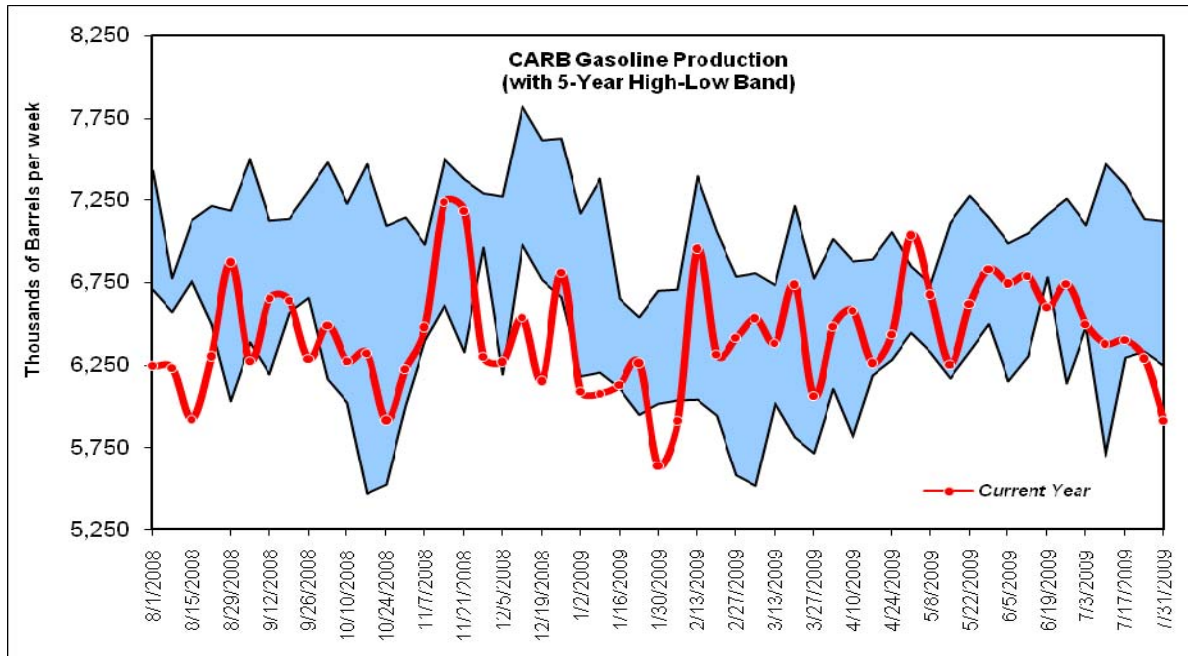
- Wholesale fuel and blendstock prices rose due to rising crude oil prices along with planned and unplanned refinery maintenance, which caused a decrease in refinery run rates.
- California **spot wholesale gasoline prices** for regular-grade reformulated blendstock for oxygenate blending (RBOB) rose to \$2.22, 40 cents per gallon more than a month ago but 86 cents less than the same time last year.
- Spot prices for RBOB in Los Angeles are 11 cents per gallon more than New York Harbor and 19 cents more than the Gulf Coast.
- California spot **wholesale ultra-low-sulfur diesel prices** have risen to \$1.94, 32 cents more than last month but \$1.42 less than the same time last year.
- California wholesale ultra-low-sulfur diesel prices are 5 cents more than the Gulf Coast and 5 cents more than New York Harbor.
- California **spot wholesale prices for fuel ethanol** rose 13 cents from last month to \$1.38 per gallon.<sup>ii</sup>



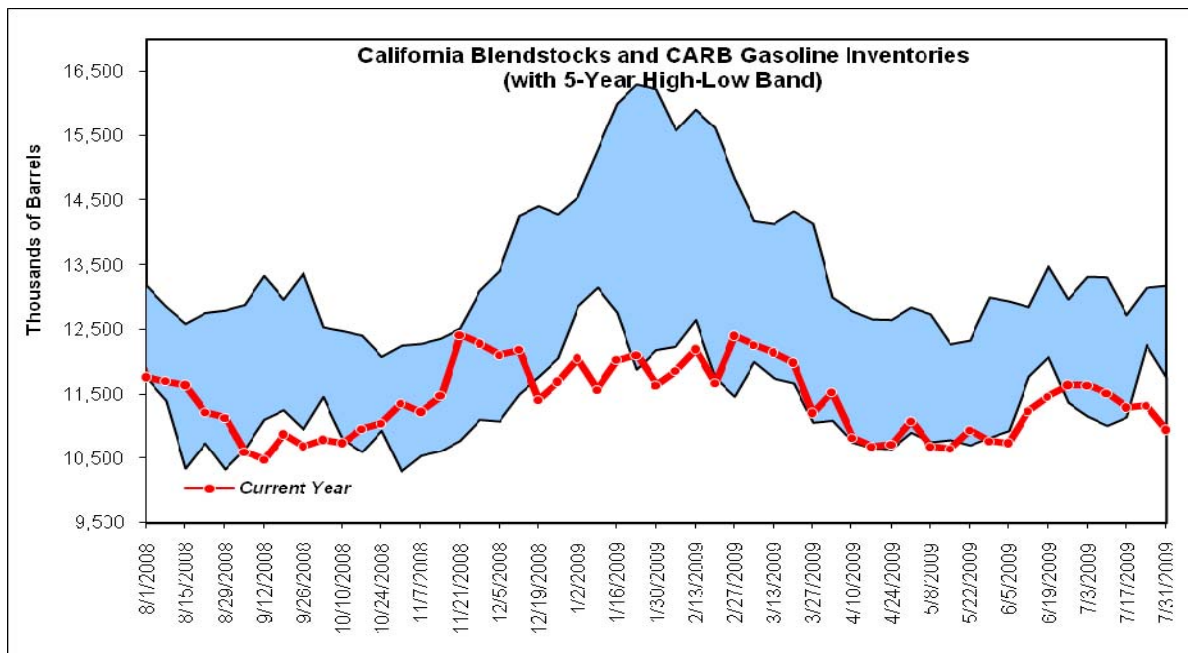
- The Energy Information Administration's (EIA) weekly report for the week ending July 31 shows that **U.S. gasoline demand** increased 0.3 percent, and distillate demand increased 4.9 percent from the previous week. The four-week average demand for gasoline is 9.2 million barrels per day, 2.3 percent less than the four-week average at the same time last year. The four-week average for U.S. distillate demand is 3.4 million barrels per day, 17.9 percent less than the same period last year.

## Refinery Production and Inventories

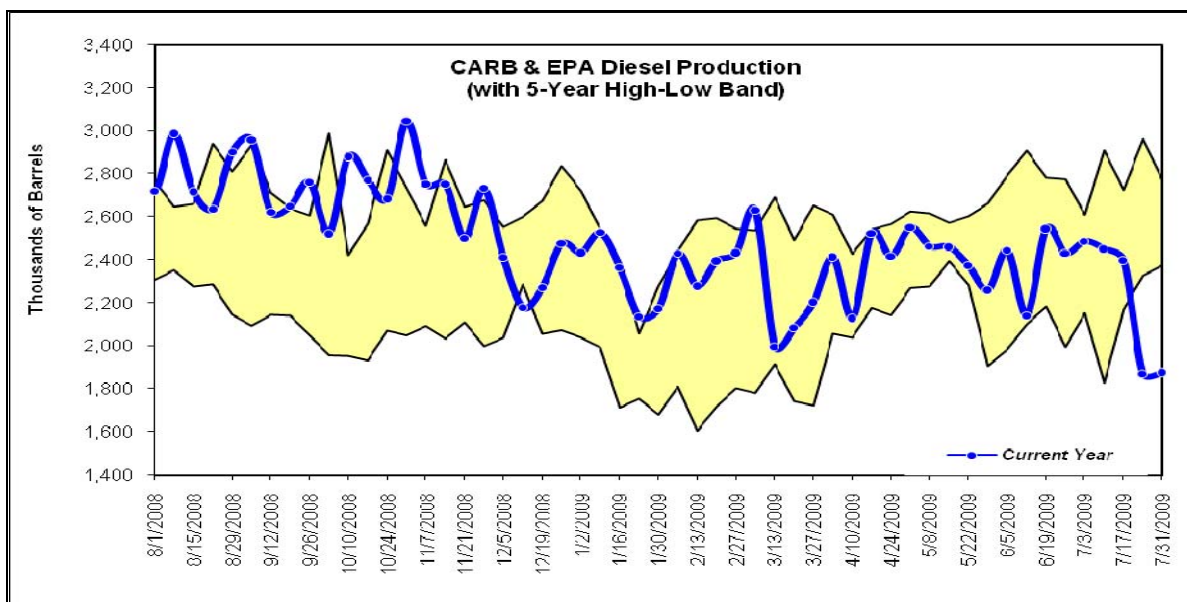
- **Reformulated gasoline** production in California for the week ending July 31 decreased 6 percent from the previous week to 5.9 million barrels, falling below the five-year range and 5.3 percent lower than a year ago.<sup>iii</sup>



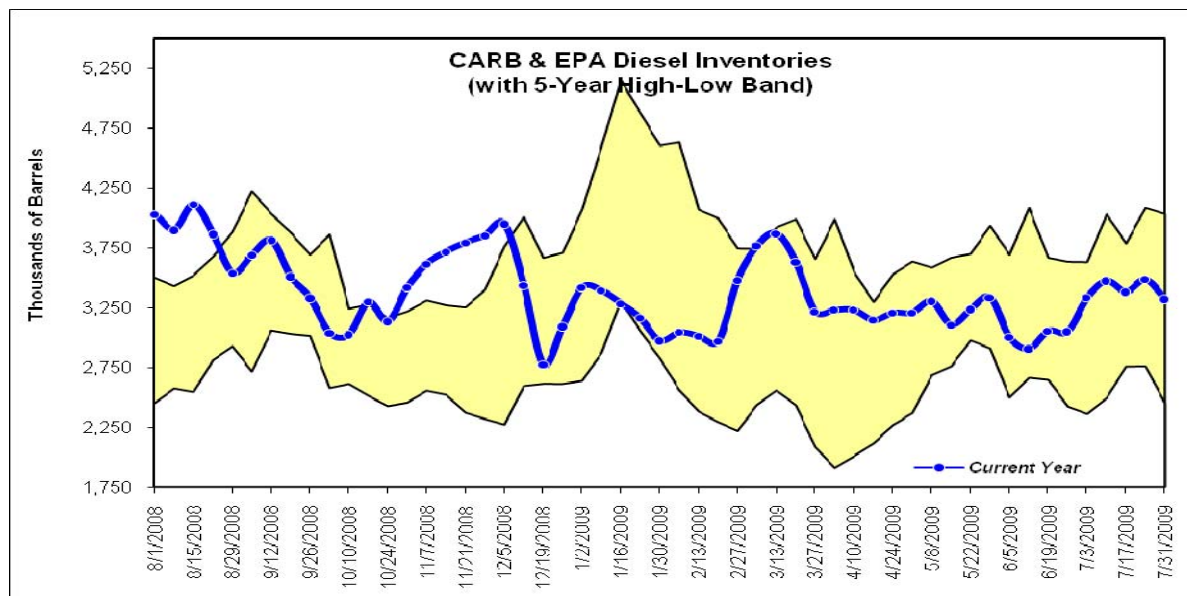
- California reformulated gasoline inventories decreased by 5.4 percent from last week while gasoline blendstock inventories decreased 1.6 percent. Combined inventories of reformulated gasoline and gasoline blendstocks in the state decreased by 3.3 percent to 10.9 million barrels, remaining below the five-year range.



- U.S. gasoline inventories as of July 31 decreased to 212.9 million barrels, 218,000 barrels less than the previous week. Inventories increased on the East and Gulf Coasts and decreased on the West Coast.
- California **ultra-low-sulfur diesel fuel production**, including both California diesel and U.S. Environmental Protection Agency (EPA) diesel, increased to 1.9 million barrels during the week ending on July 31, 0.3 percent more than the previous week.



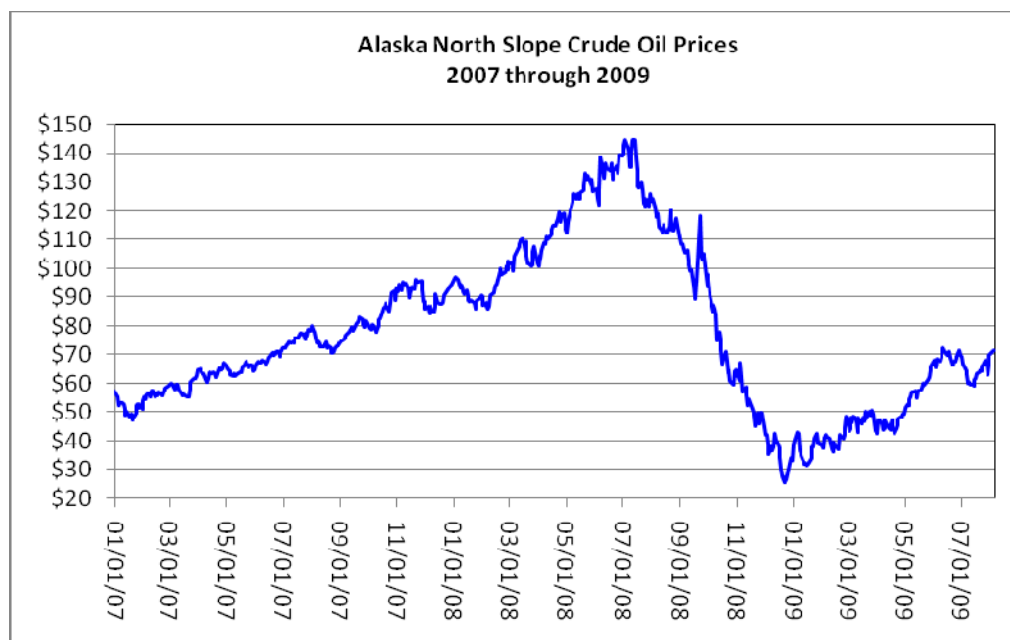
- **Combined ultra-low-sulfur diesel inventories** in California decreased 4.7 percent from the previous week to 3.3 million barrels, remaining in the middle of the five-year range. Total U.S. distillate inventories as of July 31 fell to 161.5 million barrels, 1.1 million barrels less than the previous week. Inventories decreased on the East, West, and Gulf Coasts.





## Crude Oil Prices and Inventories

- West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, reached a record high of \$144.59 per barrel on July 3, 2008, but then plunged to \$25.81 on December 22. More recently, prices increased to \$71.62 on August 5, \$11.48 higher than last month but still \$46.85 lower than a year ago.<sup>iv</sup> Price increases are based on a smaller than expected contraction in second quarter GDP and better than expected unemployment and manufacturing sector data, although an increase in inventories has put some downward pressure on prices. The Nigerian government estimates that violence by militants has reduced oil production by 1.5 million barrels per day, about half of Nigeria's capacity. On July 14, OPEC forecasted an oil demand decrease in the short term due to unemployment and the economic recession, but estimates oil demand to increase to 84.3 million barrels per day in 2010. OPEC is not expected to cut production further at its September meeting but is likely to ask members to improve compliance with current production quotas.



- U.S. commercial crude oil inventories as of July 31 rose by 1.7 million barrels from the previous week to 349.5 million barrels. Crude oil stocks are 52.6 million barrels more than this time last year and 32 million barrels more than the five-year average for this date. California crude oil stocks fell 2.7 percent from the previous week to 16.2 million barrels and are 11.9 percent more than last year.

<sup>i</sup> Spot wholesale and retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

<sup>ii</sup> Ethanol railcar prices are from Platts Oilgram and are average prices for prompt Southern California shipments minus a 45¢/gal federal excise tax credit for 2009 prices and a 51¢/gal federal excise tax credit for prices prior to 2009. California alkylate prices are also calculated from Platts Oilgram and include a 20¢/gal transportation and distribution cost from Gulf Coast to California. Spot wholesale prices for regular-grade California reformulated gasoline blendstock for oxygenate blending (CARBOB) are from Oil Price Information Service.

<sup>iii</sup> California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

<sup>iv</sup> ANS crude oil prices are from *The Wall Street Journal*.